Road to SUCCESSFUL INVESTING

Everything you need to know before your first investment

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INTRODUCTION

The attempt to understand how the stock market operates, combined with the fact that you are putting your own money at risk, is often enough to scare away many people from what is, in fact, one of the best methods to obtain financial freedom.

GET THE INVESTING GUIDEBOOK STEP BY STEP!!!

The investing field is so large that even the most experienced, knowledgeable investors would tell you that they continuously learn and frequently improve their skills and expertise. You cannot learn everything about investing within a day, week, or a month, although luckily, there is no need to know everything before making your first investment. The goal of this guidebook is to introduce you to the basics of stock investing, whether you already have some experience or not, as well as to encourage you to begin making additional research after you read it.

The financial industry intentionally uses confusing terms to discourage the "regular" people from entering this world and finding a way to make their money work for them and gain financial freedom. In this guidebook, you will obtain all the seemingly complicated information and terms in a much simpler and more understandable way.

Think of investing as a long and adventurous journey that you are embarking on right now. The final destination - financial independence- should be continuously kept in your mind while reading through this guidebook.

1. WHY IS IT IMPORTANT TO INVEST?

With investing, you are putting your money "to work" - such that as time passes, it will make you richer.

Investing will not make everybody a millionaire, especially not overnight. Your main goal with investing should be to build a financial safety net for yourself.

At a certain moment in your life, you are going to have to stop working. When that day comes, wouldn't it be great to know that you aren't solely dependent on your pension and savings, which are often meant to cover only the regular monthly expenses? Or perhaps be able to allow yourself the retirement you have always imagined without worrying about the costs? Even better, investing opens up an opportunity for you to stop working and retire earlier than expected, if you make smart investment decisions and stay consistent.

Your everyday worries will be replaced with enjoying the benefits of a very important decision you made years ago - get started with investing.

We are programmed to believe that banks are

The best way to store our money, however, is
Is that true?

No, that way you are losing money every day because you are allowing the inflation to Keep decreasing your purchasing power.

1.1 WHAT IS INFLATION?

Inflation is an economic term that denotes a continuous growth in the general price level in a particular period. It is considered to be the worst enemy of your money because it decreases your purchasing power year by year. Your savings over time will have a lower value, meaning that you will be able to purchase fewer items with the same amount of money. This would not be the case if you find a way to make your money work for you.

In other words, your money buys you fewer products, which include groceries, food, clothes, and other goods or services. Inflation may also lead to an increased unemployment rate, poverty, and inequality.

Let's assume that this year the rate of inflation is 4%. Generally speaking, that indicates that the price of any item has increased by 4% in comparison to the previous year; however, it does not mean that the price of every item has increased by 4%.

The prices of some items have increased by 4%, for some perhaps more than 4% and for others the price may have decreased, although on average the increase is 4%

Example:

$10, and the yearly rate of inflation is 4%. Theoretically, an inflation rate of 4% means that the next year, that same burger will cost 4% more, or $10.40.

Essentially, if your income has not increased at the same rate as inflation, with your income the next year, you will not be able to buy the same amount of burgers as the previous year, meaning that your purchasing power has decreased.

You are buying a burger that costs

Whether you like it or not, the prices of food, transport, bills, and other needs will keep increasing, and we all know that the increase is not in any way proportional to the increase in salaries.

Inflation is distancing you from your financial goals

Saint Abraham